



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

APR 24 2003

OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

FACSIMILE AND FIRST CLASS MAIL

Ronald Methier, Branch Chief
Air Protection Division
Georgia Department of Natural Resources
4244 International Parkway, Suite 136
Atlanta, Georgia 30354

Re: Enforcement Discretion - Georgia's Low Sulfur/Low RVP Fuel Program

Dear Mr. Methier:

On March 3, 2003, you requested that the United States Environmental Protection Agency (EPA) exercise its "enforcement discretion regarding the February 2003 Georgia Gasoline Marketing Program rule revisions." On March 28, 2003, I signed a letter allowing regulated parties to supply gasoline in the 45-county Atlanta-area market with a sulfur content not in excess of 90 parts per million (ppm) as measured on a quarterly average, with a per-gallon cap of 200 ppm, until May 1, 2003. With this letter, I am providing additional enforcement discretion as described below.

Based upon recent supply information, Georgia has issued an emergency rule and a notice of proposed rulemaking to amend its current rule to require that gasoline supplied to the Atlanta-area market have a sulfur content of 30 ppm as measured on an annual basis beginning September 16, 2003. In addition, Georgia intends to modify its original request for revisions to its state implementation plan (SIP) and request that EPA approve its newly revised rule requiring, *inter alia*, compliance with the 30 ppm sulfur-content standard beginning September 16, 2003.

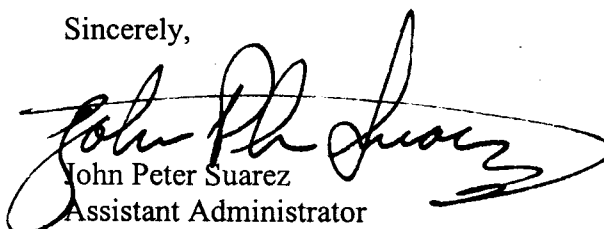
Through its discussions with the State of Georgia and gasoline suppliers, EPA has determined that supplies of gasoline that meet the 30 ppm sulfur standard will be insufficient to meet demand in the Atlanta-area market during the summer season. However, EPA believes that this situation will likely be corrected by mid-September 2003. Therefore, in light of the current supply situation in the Atlanta-area market, EPA will exercise enforcement discretion to allow regulated parties to produce, import, distribute, and sell gasoline during the regulatory relief period with a sulfur content that does not exceed a quarterly average of 90 ppm, with a per-gallon cap of 200 ppm and a downstream cap (beginning June 1, 2003) of 230 ppm, as those terms are described in Georgia's gasoline marketing regulations. This exercise of enforcement discretion

began April 1, 2003, and will continue until midnight on September 15, 2003¹ or until EPA's approval of Georgia's pending SIP revision request, whichever comes first. This enforcement discretion does not relieve any person from any other requirements set forth in the July 18, 2001 version of Georgia's low sulfur/low RVP fuel program which is a part of Georgia's SIP.

After September 15, 2003, all regulated parties will be required to meet the sulfur requirements of the applicable Georgia regulations, i.e., 30 ppm annual average, and a per-gallon cap of 150 ppm.² In the event that a regulated party is unable to supply compliant gasoline to the Atlanta-area market beginning September 16, 2003, and provided that EPA believes additional relief is necessary, EPA will require the non-complying party to enter into a compliance agreement requiring that party to remediate the harmful effects of the excess emissions caused by its gasoline by contributing not less than 7 cents/gallon to an emissions offset program in the affected area as approved by the State of Georgia. Such requirements will also help to ensure that an adequate gasoline supply exists in the Atlanta-area market.

We ask any party requiring such discretion to contact EPA no later than Friday, August 1, 2003. If you have questions, please call Adam M. Kushner, Associate Director of the Office of Regulatory Enforcement's Air Enforcement Division, at (202) 564-7979.

Sincerely,


John Peter Suarez
Assistant Administrator
Office of Enforcement and Compliance
Assurance

cc: See attached list

¹ The third quarter in 2003 will be defined as July 1 through September 15, 2003.

² Gasoline supplied from September 16, 2003, through December 31, 2003, will be included and averaged into the 2004 calendar year.